



February 11, 2009

Dear Judge Drain,

In re Delphi Corporation, et al., Case No. 05-44481 (RDD) Jointly Administered "SALARIED OPEB TERMINATION MOTION"

I am writing this letter to object to the motion made by Delphi Corporation to terminate employer-paid post retirement health care benefits and life insurance for salaried employees. There are many issues concerning this decision that I do not understand.

- Why are only the salaried retirees being targeted?
- Who will represent salaried retiree's interests?
- When Delphi was spun off in 1999 were future legacy costs considered in negotiations with GM?
- How could benefits be reduced in 2007 and then require more cuts 2 years later?

**Why are only the salaried retirees being targeted?** It has been my experience working at Delphi that their preference was to go after the "low hanging fruit". In other words take the easy and fast savings without making the more difficult structural changes to get lasting improvement. I am assuming that Delphi is taking this approach because it is the easiest to pursue and they won't have to deal with seeing the faces of 15,000 people every day that they have been shocked and disappointed. The current salaried employees will be upset but that's not so bad. Most will be happy to be employed. Some will quit or be downsized while others will just have to restructure their retirement plans by working longer. Retirees cannot easily reenter the workforce to make up for GM & Delphi's implied promise of health care and insurance benefits.

**Who will represent salaried retiree's interests?** The gap in this proposal is that there is no person or entity that can speak collectively for salaried retirees. Suppliers and Unions all have attorneys to advise them on how to proceed. In the case of Delphi salaried retirees we couldn't organize a snow ball fight between Saginaw and Flint if we had to. I personally would have difficulty contacting more than 10 retirees. My most recent Delphi Benefit Options Enrollment form included the following statement. I believe the appeal procedure should be followed as stated in the second from last sentence.

"Delphi Corporation reserves the right to amend, modify, suspend or terminate any of its benefits plans or programs by the action of its Board of Directors, or individual or other committee expressly authorized by the Board to take such action. The benefits to which a participant or beneficiary is entitled are determined solely by the provisions of the applicable benefit plan or program. Absent an express delegation of authority from the Board of Directors, no one has provisions not provided for under the applicable benefit plan or program, or to change the eligibility criteria or any other provisions of such plan or program. Delphi Corporation also reserves the right to construe and interpret these benefit plans or programs. Each benefit plan or program also has an appeal procedure which serves as the exclusive manner for resolution of all disputes concerning the interpretation or application of the plan or program. The decision on appeal is final and binding." Delphi is not allowing any appeal procedure except through the objection to their motion to terminate.

**When Delphi was spun off in 1999 were future legacy costs considered in negotiations with GM?** In 1999 I had been employed by General Motors for 30 years. It would seem logical to me that in the negotiations with GM to spin off Delphi some consideration would have been made to handle future legacy costs. If legacy costs were not considered it seems wrong that GM could just bundle up the difficult parts of their operation and spin them off. And if legacy costs were considered then where did the money go? Did Delphi use it for something else?

For years the plant I worked in as part of GM was considered a "cash cow". High volumes and low cost created good profits. Some of that money surely went to expand GM's operations in Brazil, Mexico and China. When GM was growing, profits were being spread around the world. But then as US volumes fell they spun off the plants they grew up with and seemed to deny any liability for retirement medical obligations.

**How could benefits be reduced in 2007 and then require more cuts 2 years later?** In 2007 Delphi changed my health care coverage by requiring me to use Medicare and promised \$20,000 to defer my medical premiums. That promise would have lasted 6.4 years. Now Delphi claims that is still too much and wants to terminate it. I am no rocket scientist but it only took me a couple of sleepless nights to determine my own worst case scenario. Why didn't GM and Delphi do any analysis and risk management when they were making all of their benefit plans. Have hourly employees had any benefits terminated? Has GM? The Delphi motion to terminate retiree benefits showed a chart titled GMNA or General Motors North America. While I was still working Delphi had assembly cells dedicated to Toyota and other non-GM customers. It may not be accurate to depict the entire Delphi picture with General Motors in mind. When the current economic situation turns around someone will benefit. Automaking is a cyclical business but terminated benefits are gone forever.

I now read in the newspaper that GM might take back some critical Delphi operations and that talks have been ongoing for some time. Does part of that deal require that Delphi dump as much liability as they can before GM will buy back the critical plants they need? It would not surprise me that GM is requiring this action by Delphi. I have also received communications from Delphi that implies that this is a done deal and there is no means to fight their motion to terminate benefits.

Judge Drain this is wrong. I am an optimistic slow to anger individual who has never so much as written a letter to the editor. But since receiving Delphi's "surprise package" I haven't slept more than 2 hours a night. I fully realize that in the current economic situation my objection may seem trivial compared to those less fortunate. Having said that there still seems to be something wrong with the way Delphi is handling the salaried retirees. We have no staff of bankruptcy or compensation lawyers to guide us like bargaining unit employees do. Once this benefit is gone it will be gone forever. It is scary to see how hard Delphi is working to get this pushed through.

I respectfully request that you make sure that Delphi does everything they can before doing something as damaging as this. If Delphi headquarters is still operating like they used to they conceive an idea one day and try to implement the next. Good working solutions take hard work with a lot of input from the factories and divisional headquarters.

Very respectfully,



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Cc

Delphi Corporation

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The Office of the United States Trustee for the Southern District of New York

Encl.

Microsoft Word file: Objection to terminate Delphi OPEB 2-11-2009